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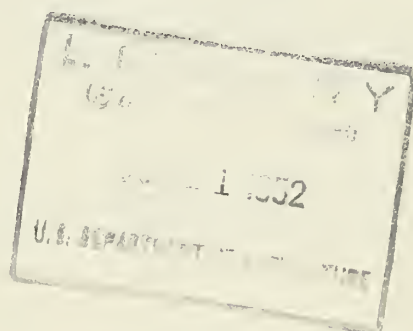
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MARKETING ACTIVITIES



U.S. DEPARTMENT OF AGRICULTURE
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WHOLESALE GROCERS LOOK FOR INCREASED EFFICIENCY

By Martin Kriesberg Page 3

Wholesale grocers have done much to make their operations more efficient, but there is room for further "streamlining", according to surveys made by the Marketing and Facilities Research Branch of PMA. Mr. Kriesberg, marketing specialist with the branch, reports on findings so far.

NEW FEED SOURCE: CANNERY WASTES

By G. E. Hilbert Page 7

Pear cannery waste makes valuable livestock feed. The conversion process holds equal promise for other pulpy fruit and tomato wastes. Dr. Hilbert, Chief of the Bureau of Agricultural and Industrial Chemistry, reports on the cooperative project of his bureau and the canning industry.

NEW WOOL SUPPORT METHOD FOR '52

By H. E. Reed Page 10

Wool price support programs were in effect in 1950 and 1951, but operations under them were not necessary. This year, in the face of a changed situation, a new method of support is available. Mr. Reed, Director, Livestock Branch, PMA, explains it.

EASY DOES IT Page 14

You would hardly consider sweetpotatoes a "kid glove" commodity. Results of a study on the Eastern Shore probably will surprise you.

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Wholesale Grocers Look For Increased Efficiency

By Martin Kriesberg

Grocery wholesalers are making progress in raising the efficiency of their operations, initial surveys show. Costs of taking orders have been reduced, methods of assembling orders have been improved, and delivery expenses have been cut. The surveys show, however, that more streamlining would mean further savings which, in addition to benefiting wholesalers themselves, would tend to be passed backward to producers and forward to consumers.

Holding Down Costs of Taking Sales Orders

Among the ways in which wholesalers are attempting to hold down costs of taking sales orders, three seem particularly promising. They are:

1. Reducing the amount of work done by salesmen in taking orders, thereby lowering the cost of selling as a percentage of sales. The principal device used to accomplish this is the pre-printed order form on which the retailer can make up his order and either mail it in or have it ready when the salesman calls.

2. Increasing the size of orders at each call. Most wholesalers have been paying their salesmen in part, or entirely, on the basis of over-all volume and profitableness of business secured. A few have considered applying similar incentives for increasing size of orders feeling that in this way order size as well as over-all volume will be improved. Some wholesalers have been emphasizing retailer discounts for volume purchases as a means of increasing the size of orders. These usually vary with the volume of business placed weekly or monthly and are means of passing on to the retailer savings in operating costs made possible by his larger orders. Other firms have devoted their efforts to building better, more loyal retailers and in return have secured the larger orders made feasible for the retailers by the growth of their business and altered buying practice.

3. Eliminating calls for unprofitable orders. Wholesalers have attacked the problem of unprofitable orders on two fronts: First, they have analyzed their operating costs and, having determined the smallest size order that could be handled at a reasonable profit, have set this as a minimum to discourage salesmen and retailers from placing unprofitable orders. Second, they have analyzed their retail accounts and as part of a program of customer selection, have avoided making calls on retailers whose orders remain consistently unprofitable.

Methods of cutting costs of paper work have not been systematically studied by grocery wholesalers. While some who have introduced mechanical accounting systems report savings in clerical costs, examination of the typical operation suggests that economies can also be effected by streamlining manual procedures.

Increasing the Efficiency of Order Assembling Operations

Grocery wholesalers have given considerable attention to warehousing and methods of assembling orders efficiently. Among the stock arrangements which do most to facilitate order assembling are: (1) Arranging merchandise in a systematic fashion so that order men may readily know where each item is and thus avoid needless searching and back tracking; (2) separating merchandise into reserve stocks and selection lines, whenever feasible, and arranging items which are most frequently called for and those which are heavy and bulky in such a way as to minimize the ton-distances covered by order men in the course of filling a day's orders; (3) handling special order requirements such as less-than-case lots, small items and small orders by procedures especially devised to minimize the expense of filling them, and their interference with the regular order routine. For example, some wholesalers increase the efficiency of assembling small orders by having them grouped before filling. That is, instead of having the orders assembled as each is turned in, the order man collects the items for all at the same time. In this way several small orders can be filled in little more time than it would take the order man to move around the warehouse collecting any one of them.

Some wholesalers have improved physical arrangements in the warehouse, and have also developed procedures which help obtain optimum utilization of the warehouse force and equipment. Especially noteworthy are the following ideas: (1) Integrating operations, that is, organizing the work so that each part of the job is timed to make most efficient use of plant and personnel. This practice helps reduce standby time and frees equipment used in one operation in time for its use in a subsequent operation, and thereby reduces the amount of equipment needed to handle a given volume. An example followed by many wholesalers is assembling orders and loading delivery trucks at night to dovetail these operations with daytime order delivery and merchandise receiving. Thus trucks and drivers are out making deliveries almost every hour of the day--instead of being tied up in loading a part of the time when they could be on the route. Similarly, materials-handling equipment used in order assembling and loading at night is free during the day for receiving and storing merchandise. (2) Balanced handling, that is, getting a balance between members of a crew or work team and the equipment they use so that all individuals and all equipment are fully utilized and are making a maximum contribution to the job.

Holding Down Cost of Delivery

A number of grocery wholesalers have been especially successful in reducing delivery costs. To cut direct costs of delivery, wholesalers have sought the cooperation of their retailers to reduce the number of deliveries, and to reduce the time spent in truck unloading. The number

of deliveries is being reduced by helping customers avoid needing special orders and by weeding out the few who persist in requests for unwarranted extra deliveries. Time spent in unloading has been pared by winning retailer cooperation in moving the goods from truck to stockroom and by mutual agreement to forego delivery receipts. Efforts to have retailers pick up more merchandise have centered around cash-and-carry arrangements. These have included the practice of referring late orders to cash-and-carry, offers of discounts on cash-and-carry purchases, and installation of special facilities and procedures for processing cash-and-carry orders. Some savings in direct delivery costs have also been accomplished by improving truck routing and by utilizing common carriers where their charge is less than the cost of operating a truck. This latter practice is particularly applicable where the truck would be loaded to only a fraction of its capacity on a delivery that is distant from the warehouse.

Wholesalers' efforts to minimize costs have been aimed at reducing indirect as well as direct delivery expenses. Basic to such endeavors have been preventive maintenance programs which contribute to lower charges for maintenance and depreciation, fewer accidents and breakdowns arising from faulty equipment, and in some instances, fewer standby trucks. The ingredients of an effective program of preventive maintenance are the following: (1) a careful selection of truck engine and capacity in terms of route and load requirements; (2) a systematic procedure for checking truck use and wear; (3) adequate records covering truck operations and maintenance; (4) careful driver selection and training, and continuous supervision; and (5) support and cooperation from top management.

Other Savings on Trucks

In some cases, the need for standby trucks has been virtually eliminated by leasing additional trucks as needed or by a general leasing arrangement which covers all truck requirements. Indirect delivery costs have been lightened further by utilizing delivery trucks more nearly to capacity. Besides attempting to load trucks as nearly full as possible, fuller use of truck equipment is often obtained by arranging for back hauls and where feasible, integrating deliveries to branch warehouses with regular customer deliveries.

The desire to exercise effective control over the delivery operation has led grocery wholesalers to use driver logs and mechanical recorders of truck movements to evaluate how effectively the driver uses his time. Working with several wholesalers, a procedure was developed for more accurately measuring the performance of drivers, that is, their industry and efficiency, without recourse to logs or recorders. Using records of the individual wholesaler, tables were developed from which the wholesaler could determine the approximate amount of time it should take a driver to cover a route with a given number of miles, a given number of stops and a given value of orders for city and for non-city routes. Then by comparing the amount of time it actually took the driver to cover a given route with the time it should normally take him to cover such a route, the wholesaler could readily see if the driver's performance was below par. This procedure is not only designed to evaluate the perform-

ance of individual drivers but it also permits the establishment of standards of performance and makes it possible to compare the over-all efficiency of delivery operations between different periods of time.

Need for Further Study to Improve Current Practices

The survey of wholesaler operations highlights two things: First, that the cost of many wholesaling operations can be reduced and, second, that the surface has just been scratched in uncovering ways of doing these jobs more efficiently. Additional research may profitably be done on procedures to facilitate direct placement of orders by the retailer, on incentives for salesmen and retailers to increase size of orders, on methods of doing the paper work connected with processing orders, and on means of assembling orders, loading trucks and unloading at retailers. In cooperation with the industry, the U. S. Department of Agriculture's Production and Marketing Administration, through its Marketing Facilities Research Branch, expects to push further toward determining proved ways of doing many of these operations for less. In this way the private marketing system will do an even better job of moving food products from the farmer to the consumer.

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FARMERS FAVOR BULK FEED DELIVERIES

Bulk deliveries of commercial feed are finding favor with many farmers when such service is offered by farm supply cooperatives or other feed dealers. In addition, the convenience to farmers and savings in bag costs usually outweigh disadvantages of such a delivery system.

These are findings of a study made by the Cooperative Research and Service Division of the Farm Credit Administration with AMA funds. The FCA Circular (C-143) stresses that bulk-delivery is no cure-all and presents problems, but finds it has a recognized part in the feed industry.

Farmers with larger feeding operations, and older farmers or those who are physically handicapped, particularly favor bulk deliveries of feed.

Problems of coops or other dealers shifting to such service are: Adapting existing mill facilities, providing necessary weighing and loading equipment for the new service, as well as adding delivery trucks, or changing truck bodies. Minimum economic orders usually are not less than 2 tons, and loading bulk trucks may interrupt sacking operations and add to over-all costs.

On the farm side, storage facilities must be arranged to handle bulk feed. Usually, handling equipment for bulk feed is more expensive, and often is in addition to sacked feed storage facilities.

Advantages of bulk feed, besides eliminating cost and inconvenience of bags, are that it requires less labor and rodent control is simplified. Also, feed mill trucks can deliver 30 to 50 percent more feed daily.

New Feed Source: Cannery Waste

By G. E. Hilbert

It should be welcome news to consumers and comfort to some cattle feeders to know that there are beefsteaks in (them thar) hills of pear trimmings which heretofore have been waste and disposal problems to fruit canneries.

The proof is in the eating--in this case in the feeding of dried pear pomace ("pulp") and pear molasses to 22 head of Hereford and Hereford-Angus crossbred steers and to 24 head of crossbred ewes in feeding trials conducted by the University of California.

Transforming the pear waste to valuable livestock feed is the result of three years' research conducted jointly by scientists of the Western Regional Research Laboratory of the Bureau of Agricultural and Industrial Chemistry and the Canners' League of California.

The continuous conversion process developed in the research was aimed primarily at reclaiming pear wastes, although the new method works as well on other pulpy fruit and tomato residue wastes. While this new source of feed is no complete cure for the feed shortage which threatens to be one of the most serious problems on the entire agricultural horizon, the tight feed-supply situation certainly gives this development added significance.

Pear Wastes Are Good Feeds

In the California feeding trials with cattle, the principal objective was to compare the nutritional values of pear pulp and molasses with values of conventional cattle feeds--beet pulp and cane molasses. The sheep feeding trials were largely tests of the relative palatability of the new by-product feeds.

The feeding trials were conducted by H. R. Guilbert and W. C. Weir of the University of California College of Agriculture. Full details of the experiments may be obtained from the College of Agriculture by referring to their Research Projects No. 700 and 776.

In summary, Professor Guilbert and Weir report the following general results:

Pear molasses and pear pulp are highly palatable to both cattle and sheep. In fact, once sheep found that pear molasses could be eaten, they found it so tasty that it could not be offered in self feeders.

Pear molasses--the concentrated juice pressed from pear pomace--was reported to be equal or slightly superior in feeding value to cane molasses.

Pear pulp--pressed and dried pear pomace--proved to be comparable in value to high-grade, low-protein hay. It was estimated to have a feed value 70 to 75 percent that of beet pulp, and accordingly it should be considered more as a roughage than as a concentrated feed.

While the palatability of pear molasses where fed alone was so great that the one lot of ewes over-ate and were thrown "off-feed", this same lot made satisfactory gains when pear molasses was fed with hay.

Pear pulp mixed with 20 percent pear molasses was preferred to alfalfa hay by one lot of sheep.

There was no significant difference in carcass cut-out value between cattle fed pear wastes and those fed dried beet pulp and cane molasses. However, cattle fed beet pulp attained slightly more finish in less time than those receiving pear pulp.

Products of Research

The research which resulted in the commercially important feed products was a cooperative effort between the Western Regional Laboratory and the Cannerymen's League of California. Financial support was also given by the Cling Peach Advisory Board. The search for a process which would economically convert pear wastes to feed is not new, but pear wastes are notoriously difficult to manage. Generally it is impractical to extract juice from pear wastes through normal pressing techniques, because they are slippery and soggy.

Throughout earlier experimentation it was observed that sometimes, when pear wastes were "gelled", there was a tendency for the juice and the pear pulp to separate naturally. Following this lead, the researchers worked toward a treatment for the wastes that would expedite this separation and allow "leakage" of the juice in a continuous process.

This was successfully accomplished when the wastes were first ground, then mixed with a slurry of lime and water, and moved slowly along in a steam-heated trough. Under this treatment the pectin in the waste was so modified that "pectin-gel clumps" were formed, and these readily released clear juice.

Once the waste was properly treated, it was found that pressing of the wastes to separate juice from pomace could be accomplished with a giant clothes-wringer-like press with revolving drums which allowed the juice to pass through to the inside of each drum while the compressed cake moved on to a conveyor. The press was developed by the Laboratory specifically for this purpose.

By early August 1951, this combination of equipment was ready and installed for large pilot-plant trial in a plant made available by the

Canners' League. While much of the season's operation was devoted to record keeping and economic evaluation of the process, 150 tons of molasses and 70 tons of pear pulp were produced.

A share of this production was used in the University of California feeding tests, and the remainder found a ready commercial market. Certainly the most valuable contribution of the season's operation, however, was the development of "know how" for producing this by-product feed in larger commercial operations.

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FEED GRAIN PRODUCTION FOREMOST PROBLEM FOR 'FIFTY-TWO

All agencies of the U. S. Department of Agriculture stand ready to encourage and assist farmers in planting the acreage of feed crops which will be needed this year and in getting the highest possible crop yields.

Forces of the Department were mobilized by Secretary of Agriculture Charles F. Brannan at the same time that he called upon farmers to increase their plantings of feed crops above those shown in the preliminary planting intention report issued by the Bureau of Agricultural Economics, USDA, late in March.

The report indicated that farmers' tentative planting plans would be about nine million acres short of the 1952 goals for principal feed grains and that intended corn plantings alone would be more than five million acres short of the goal level for that crop. In terms of production, the report indicated an estimated harvest of about 121 million tons of the four major feed grains this year--well below the production goal level of 128 million tons for these crops.

Seriousness of the prospective shortage of feed grains this year was emphasized by PMA Administrator Gus F. Geissler in a nation-wide radio broadcast early in April. He stressed that getting feed grain plantings up near the 1952 production goal is "the number one job of American Agriculture."

Secretary Brannan, commenting on the prospective feed grain situation, said that unless acreage planted to the crops is higher than indicated intentions to plant, it could mean later on a cut in production of animal products--meat, eggs, and milk--with a resultant increase in inflationary pressures and interference with the national defense program.

"With world conditions as unsettled as they are today," he said, "We cannot risk the dangers which would accompany depletion of our feed grain supplies... and falling off in the production of needed food.

"I therefore urge every farmer who has good corn land... to reconsider and plant additional corn acreage. Outside areas of most efficient corn production, farmers should reconsider . . . and increase their acreage and production of such feed crops as barley, grain sorghums, oats, and high quality forage."

Wool price support is mandatory under the Agricultural Act of 1949 at 60 to 90 percent of parity, with a provision that it be at a level, within that range, to encourage annual domestic production of 360,000,000 pounds of shorn wool. Because of favorable prices, no support operations were necessary under the 1950 and 1951 programs. Wool prices, however, after hitting a record high about a year ago, have dropped drastically. In March 1951, farmers received 199 percent of parity for wool. March 15, this year, farmers were receiving, on an average, 88 percent of parity. Here is an explanation of a new support program for this year:

New Wool Support Method for '52

By H. E. Reed

Shorn wool producers will have a new method of price support available to them this year. The prices of their product will be supported through loans under the 1952 program instead of through the purchase method employed in recent years.

It should be emphasized that this new loan method will apply only to shorn wool. Pulled wool (wool pulled from the skins or pelts of slaughtered sheep and lambs as contrasted with shorn wool which is clipped from live animals) will continue to be supported by purchases.

Support Level

The 1952 level of support, 90 percent of parity as of the beginning of the marketing year, remains the same as for the 1951 program. This level, when applied to the March 15 parity price for wool, results in a national average support price of 54.2 cents per pound, grease basis. From this average support level, schedules of prices for both shorn and pulled wool have been developed. (Examples of these schedules will be given later on.) These schedules show the loan rates on a clean wool price per pound at Boston, Mass.

Loan Program to Operate Through Normal Trade Channels

The 1952 wool support program as in the past will operate through regular trade channels. Wool handlers will be the contact for producers in obtaining price support loans on shorn wool. It is expected that there will be approved handlers located in all sections of the country where wool is produced. However, proximity to an approved handler will not be essential in securing a loan. No change will be necessary in the normal marketing pattern followed by producers. If, as in many instances, the producer deals with far-off handlers in disposing of his wool....he can continue to do so under the program if the handler is one approved to make loans for the Department.

Eligibility for Loans

The shorn wool must be produced and owned by producers to be eligible for loan. Handlers or cooperative agents must have written authority from the original producers to place the wool under loan. The wool must be stored in an approved warehouse. For an appraisal, a handler must have at least 50 bags of original bag wool or 24,000 pounds of graded wool. (Small lots of wool may be consolidated by handlers to meet this condition.)

The first step in making a loan will be a request for an appraisal. This will be done by handlers acting as agents for producers. These appraisal requests which are required preparatory to making a loan must be made prior to December 1, 1952. However, loan applications may be made through December 31, 1952.

Two Types of Loans Available

Two types of loans are being made available. The regular or non-recourse loan will mature January 31, 1953 and will bear $3\frac{1}{2}$ percent interest. These loans will be made at the appraisal value, less service and appraisal charges and less freight to Boston in cases where wool is stored out of the Boston area.

Such loans may be liquidated in part or in full. In the case of partial liquidation, the amount loaned on the particular wool to be withdrawn, plus interest for the period under loan, must be paid. In the case of full payment, the face amount of the loan plus interest from date of loan to date of payment, must be paid.

If the loan is not paid prior to January 31, 1953, the USDA will accept the wool securing the loan as full payment and will cancel the note. However, if the market value on the date of maturity exceeds the amount of the loan, an appropriate adjustment will be made for the benefit of the producer.

The other type of loan available is an advance loan on a recourse basis. The purpose of this loan is to make an immediate advance on wool pending the time it can be put into proper condition for appraisal. The amount that may be obtained on an advance loan will not exceed 70 percent of the estimated loan value. This estimate will be based on what the wool will finally grade and be valued by appraisal. These loans, are being made to give producers funds in instances where time is required to grade and to put wool in a merchantable condition.

The advance loans will be for a maximum period of five months, but in no case will these loans run beyond December 15, 1952. They also bear $3\frac{1}{2}$ percent interest.

Such loans may be liquidated by later making a non-recourse loan. Or they may also be paid either in full, or partially, in the same manner as regular or non-recourse loans. In the case of non-payment of advance loans or their non-conversion to a regular loan, action will be taken at maturity for payment, together with interest and charges, rather than taking over the wool collateral.

Wool Storage Costs

As pointed out previously, the wool must be stored in an approved warehouse to be eligible for loan. Storage costs will be paid by producers while the wool is under loan. If, and when, the USDA takes over wool in payment for a loan, the Department will then assume responsibility for storage charges.

Wool Value Determined

The actual loan rates to producers will be based on the loan rate schedule which shows the clean price per pound at Boston for a complete range of classes and grades of wool. Producers' loan rates will be those indicated for the class of wool in the schedule that corresponds to the wool submitted for loan, less applicable charges for appraisal, freight and handling expenses.

Value of the wool, both grease and scoured or carbonized, will be determined by USDA appraisers. They will examine the wool for class and defects, if any, and assign the applicable price on a clean basis. In appraising a careful check will be made for defects or poor character and discounts will be applied when applicable.

In addition, the Department will take core samples of grease wool for analysis to determine the shrinkage. This will be the standard method of determining the clean yield of any lot of wool. The percent of shrinkage will be shown on the appraisal certificate which reports the value of the lot for loan purposes.

The appraisal of scoured or carbonized wool will be made from samples submitted by scouring or carbonizing mills.

Condensed Price Schedule

The following representative loan rates are from the full schedule being used in this year's program. While most loans will be made on grease wool, the prices quoted are on clean wool per pound.

<u>Loan Schedule Class</u>	<u>Description</u>	<u>Boston Loan Rate</u> (per pound clean basis)
Graded Territory and Texas Wool	A-1 Staple and good French combing 64s and finer	\$1.64
	B-1 Half-blood, graded, staple and good French combing 60s and finer	1.51
	C-1 Three-eighths blood, graded staple and good French combing 56/58s	1.30
	D-1 One-quarter blood, graded staple and good French combing, 48/50s	1.17

Territory Original Bag Wools	A-2 Good French combing and staple, 64s and finer (25% 60s allowed)	1.58
	A-3 Average and good French combing, 64s and finer (25% 60s allowed)	1.51
Texas Original Bag Wool	A-1 12 months, good French combing and staple, 64s and finer	1.63
	A-2 12 months, average and good French combing 64s and finer	1.56
Graded Fleece Wools	A-1 Fine-graded Delaine, 64s and finer	1.66
	B-1 One-half blood, staple and good French combing, 60s and finer	1.46
	C-1 Three-eighths blood, graded staple and good French combing 56/58s	1.23
	D-1 One-quarter blood, graded staple and good French combing 48/50s	1.15

While this listing represents only a small part of the full schedule of prices, these classes represent about 50 percent of the total U. S. clip on the basis of latest analyses of U. S. wool production by classification. Territory wools, either original bag or graded, are produced primarily in the Western range area with exception of Texas wools which are listed as Texas wools, when sold in original bag. The graded fleece wools come largely from the area east of the Missouri and lower Mississippi rivers.

As pointed out most of the wool eligible to go under loan will be in a greasy state. The extreme range of shrinkage of U. S. wools is approximately 25 to 75 percent with the larger amount in the range of 40 to 65 percent. The average shrink for the entire clip is about 55 percent according to an analysis of 1946 production.

Individual producers who sold wool under previous programs can get some idea of the classification and shrinkage of their wool from appraisal certificates they may still have. While neither class nor shrinkage will necessarily remain the same, this information will still provide a basis for relating the current support prices to their production.

Producers may obtain the names of approved handlers by contacting their county PMA Office or by writing to PMA Commodity Offices.

Easy Does It

Any blow that will break an egg will bruise a sweetpotato. This is the reminder U. S. Department of Agriculture specialists left with Eastern Shore (peninsula Maryland and Virginia extending southward from Delaware) sweetpotato growers after a study of the area's marketing problems.

The specialists from the Fruit and Vegetable Branch of the Production and Marketing Administration, USDA, stressed that improvement is needed in sweetpotato handling methods from the harvesting process right through distributive channels and up to the retailing level if Eastern Shore growers hope to deliver to the consumer a product that can compete with sweetpotatoes grown in other areas. Emphasizing the fact that roughly handled sweetpotatoes neither store successfully nor attract the consumer when sold immediately, the research men from the Fruit and Vegetable Branch advised extreme care to reduce cuts and bruising during harvesting, handling, grading and packing.

Made with funds authorized under the Agricultural Marketing Act of 1946, the study sought the answer to sweetpotato marketing problems in the area brought about by the decline in per capita consumption of the product, the shift in major production areas and in consumer preferences, and the recurring need for Government surplus removal purchases on the Eastern Shore. It was made possible through the cooperation of sweetpotato growers, shippers, and canners in that area and wholesale and commission handlers of sweetpotatoes in Baltimore, Philadelphia, and New York City.

Among the recommendations to growers resulting from the study were: (1) abandonment of the "scratching out" process (digging potatoes out of the ground by hand after they have been turned up by plowing) as improved harvesting methods and machinery are developed, (2) hauling sweetpotatoes from fields to the packing house in level-filled field crates instead of heaped-up baskets, (3) careful dumping of sweetpotatoes on rubberized conveyors in the packing houses, (4) lessening or eliminating the drop from the end of conveyor belts to shipping containers, and (5) combining minimum handling with careful grading and packing.

The specialists also recommended increasing storage facilities, to lengthen the marketing season; increasing knowledge of markets, to broaden outlets; introducing new varieties of sweetpotatoes to the area, since consumers in major Northeastern markets prefer other types than those now principally grown there; and grading fresh sweetpotatoes to eliminate variations in quality.

Copies of the study "Marketing Eastern Shore Sweetpotatoes" may be obtained from the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Defense Notes

Interstate Commerce Commission Approves Requested Rail Freight Rate Increase.--The ICC, on April 14, 1952, issued a report and order on the increase in freight rates sought by the railroads (Ex Parte 175). Salient parts of the ICC order pertaining to agriculture are:

1. The decision authorizes a 15 percent increase (12 percent on grain and grain products) in basic rail rates subject to certain exceptions. The increase is in the nature of a surcharge on freight charges. It cancels the August 1951, interim authorization of increases of 9 percent in Eastern territory and 6 percent in the remainder of the country. The 15 percent increase now authorized may be published not later than June 1, 1952 on 15 days notice, except grain, where 30 days notice is required, and expires February 28, 1954 unless modified or terminated sooner.

2. Specific maximums on traffic of interest to agriculture are:

Fruits and vegetables, melons, and nuts	12 cents per cwt.
Sugar	10 cents per cwt.
Canned food products	12 cents per cwt.
Phosphate rock	60 cents per ton.
Muriate and sulphate of potash	\$1.00 per ton.

3. No increases are authorized on the following: protective services (refrigerator or heater); charges for loading or unloading livestock; charges for unloading fresh fruits and vegetables at New York and Philadelphia; and demurrage.

4. Combination rates must observe the specified maximums, if provided.

5. The record will be held open to the expiration date and the Commission, on its own motion or on a petition showing good cause, can re-open the case.

Controlled Materials Allotments for Third Quarter, 1952.--Allocations of steel, copper, and aluminum for the third quarter of this year, announced by DPA late in March, were based on supplies of steel about the same as for the present quarter, slightly larger aluminum supplies, but tight supplies of copper which will continue to be the limiting factor in production. Allotments to USDA for construction (on farms, in food and fiber processing plants, and wholesale food distribution facilities) amount to 47,010 tons of steel, 1,085,000 pounds of copper products, and 45,000 pounds of aluminum. Revised allotments of these materials to USDA during the second quarter were 52,105 tons of steel, 1,376,000 pounds of copper, and 87,000 pounds of aluminum.

Initial third quarter allotments to NPA industry branches of interest to agriculture were: Agricultural machinery and equipment, 549,250 tons of steel, 8,850,000 pounds of copper, and 9,400,000 pounds of aluminum. Containers and packaging, 1,540,150 tons of steel, 554,000 pounds of copper, and 23,330,000 pounds of aluminum. The farm machinery allotment is larger than the initial allotment for the second quarter of this year, but is under that allotment plus the supplemental allocations which have been

made so far. At present, production of farm machinery is estimated to be running at about 80 to 85 percent of farmers' requirements. Most critical item of farm equipment still is crawler tractors, particularly larger sizes. Third quarter allocations for these machines is higher than at present, but it will take some time to wipe out back-log of orders for them.

Expanded Production of Pesticides Encouraged by DPA.--Expansion goals have been established by the Defense Production Administration for certain important pesticides. Under such programs, rapid amortization for tax purposes is permitted for a percentage of investments in new production facilities. Expansion goals, to be realized by 1955, have been announced for Lindane, a concentrated form of benzene-hexachloride which gives none of the odor or off-flavor of the latter when used on livestock, in dairy barns, or for fruits and vegetables; Benzene-Hexachloride, technical grade, which is important against the cotton boll weevil and aphids, DDT, general purpose insecticide; and Carbon Tetrachloride, used particularly in grain fumigants and other insecticides. Meanwhile, at a meeting with insecticide producers, NPA spokesmen explained that methylene chloride, used primarily in "aerosol bombs" against flies and other flying insects, is in extremely short supply.

Canning Machinery Manufacturers Ask Changes to Aid Operations.--The Industry Advisory Committee for Canning Machinery Manufacturers, in meeting with NPA, early in April, made recommendations to facilitate their operations as follows: 1. that their permitted inventories of materials be increased from 45 days to 6 months because of their long lead time operations; 2. that allotments to food processing machinery manufacturers be reviewed to see that their allotments paralleled those to the can industry and to provide facilities to meet needs of food canners; 3. that more liberal advance materials allotments be granted industry members in placing mill orders. NPA spokesmen said that a revision of CMP Regulations is under consideration which would afford inventory relief to industry; insisted that inventories should be held down where possible, but explained that present regulations permit inventory exceptions where justified.

WSB Permits Agricultural Wage Increase.--The Wage Stabilization Board recently announced a resolution adapting its cost-of-living policy to agricultural labor, which would permit a five percent increase in farm wages. The resolution specifies that farm wage rates may be increased without approval of the Board up to and including: (a) a 1951 base rate plus five percent thereof, or (b) a 1950 wage base plus 15 percent thereof. Under WSB regulation 11 of May 1951, farm wages below 95 cents per hour may be increased to that level without Board approval.

OPS Sets Price Ceilings on Feeds.--Office of Price Stabilization has announced an interim regulation for flaxseed feed products, effective until specific ceilings are issued, permitting processors to add \$5.50 per ton to their established ceiling prices. Effective March 31, 1952, dollars-and-cents ceiling prices were established for feed by-products of the recently established wet milo milling industry, which are said to recognize the competitive relationship between milo and corn gluten feeds.

Marketing Briefs

(The program announcements summarized below are more completely covered in press releases which may be obtained on request from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. by citing the code number given at the end of each item.)

Cotton.--The price support program for 1952-crop cottonseed will cover loans at \$66.40 per ton and purchases, in areas where such action may be necessary, at \$62.40 a ton, both on basis grade (100) cottonseed. In addition, purchase agreements and purchases of cottonseed products are to be a part of the program, details of which will be announced later. (USDA 743-52)... Effective April 4, 1952, two counties in Oklahoma and eighteen counties in Texas were added to the area regulated under the pink bollworm quarantine. (USDA 721-52)... USDA has announced that it will accept offers from qualified U. S. firms for the sale or barter of foreign grown extra long staple cotton of types which meet National Stockpile Specification P-84, revised March 5, 1952. (USDA 626-52)... Later, the Department emphasized that all offers to sell under this program must meet conditions governing such sales and must contain information required by the Department. (USDA 735-52)... The Research and Marketing Act Cotton and Cottonseed Advisory Committee has recommended that "extra high priority" be given to basic research on the pink bollworm, because of the emergency conditions created by the spread of this pest into new cotton-producing areas. The group made several other recommendations, including one that studies of foreign market outlets for cotton be given more emphasis as soon as funds permit. (USDA 742-52)

Dairy Products.--A dairy price support program, based on support of prices of manufacturing milk at \$3.85 per hundred pounds and butterfat at 69.2 cents per pound, became effective April 1, 1952 following expiration of last year's program. The milk support price is based on 3.95 percent butterfat (yearly average test). In carrying out this year's program, the Department will offer to make carlot purchases of U. S. dairy products from April 1, 1952 through March 31, 1953 as follows: Butter, US Grade A or higher, 67.75 cents per pound, US Grade B, 65.75 cents; Cheddar cheese, US Grade A or higher, 38.25 cents per pound; nonfat dry milk solids, spray process, 17.00 cents per pound, and roller process, 15.00 cents per pound. (USDA 607-52)... Also effective April 1, fees charged under voluntary dairy grading and inspection were increased. (USDA 595-52)... The following actions were taken on milk marketing orders during the past month: New York, Announcement of partial payments to cooperatives. (USDA 762-52). USDA recommends no change in Class I prices under milk order. (USDA 796-52). Boston, Plan for distribution of Boston milk order funds now held in escrow. (USDA 761-52). Milk marketing orders in Greater Boston, Lowell, Lawrence, Springfield, Worcester, and Fall River, Mass. have been amended to continue present pricing formulas with small modifications. (USDA 643-52). Effective April 1, 1952, several changes were made in the pricing provisions of the Columbus, Ohio milk order. (USDA 711-52). Milk Marketing Order issued for San Antonio, Texas area.

(USDA 724-52). New Class I milk price differentials approved for Puget Sound, Wash., milk order. (USDA 799-52). Two changes have been made in the Philadelphia, Pa., milk marketing order, one reducing minimum Class II milk prices and the other in regulating plants. (USDA 779-52). The April Class I milk price differential has been changed in the Kansas City milk order. (USDA 669-52). An amendment to the milk pricing arrangements of the Oklahoma City milk order has been approved. (USDA 665-52). Topeka, Kan., A new price for Class I milk has been recommended, the same as the price for similar milk under the Greater Kansas City order. (USDA 773-52) A change has been made in the April Class I milk price differential. (USDA 644-52). "Supply-demand provisions of the Tri-State (Kentucky, Ohio, West Virginia) milk order have been amended. (USDA 709-52)

Fats and Oils.--Price support for 1952-crop farmers' stock peanuts at a national average level of not less than \$239.40 per ton, has been announced. The average minimum support price, 90 percent of the February 15, 1952 parity price of \$266 per ton, will be increased proportionally if the parity price at the start of the marketing season (August 1) is higher. (USDA 605-52)

Fruits and Vegetables.--The amount of the 1952 pack of canned fruits and vegetables which must be set aside by processors for defense purposes (U.S. Military Supply Program and Veterans Administration only) became effective April 3, 1952. Commodities covered by this year's set-aside order are: Vegetables - canned asparagus, lima beans, green and wax beans, carrots, sweet corn, green peas, pumpkin, sweetpotatoes, tomatoes, tomato catsup, and tomato paste. Fruits - canned apples, applesauce, apricots, blackberries, blueberries, red sour pitted cherries, sweet cherries, Kadota figs, fruit cocktail, peaches, Bartlett pears, purple plums, and pineapple. The revised order outlines procedure by which processors may request release from set-aside requirements. (USDA 704-52)... Termination of the Federal Marketing Order for New Jersey potatoes becomes effective April 30, 1952, following a vote by growers of that area favoring such action. (USDA 755-52)... The Research and Marketing Act Advisory Committee for Citrus Fruits has recommended increases in both Federal and State research programs in production, marketing, and processing utilization and consumer needs and uses. The committee's recommendations, made at its annual meeting in Florida, late in March, listed research needs in that order of importance, with more emphasis to be placed on fundamental or basic studies. (USDA 718-52)... A price support program for honey, at a national average price of 11.4 cents per pound, as compared with 9.9 cents in 1951, has been announced for this year. (USDA 628-52)... A program to encourage the diversion of 7.3 million pounds of almonds, shelled basis, from normal trade channels to by-product uses, with payments at the rate of 30 cents a pound, has been announced. (USDA 658-52)... Control Boards or Committees to administer Federal marketing orders and agreements have been named for the following commodities: Filberts (USDA 726-52), Walnuts (USDA 687-52), Tokay Grapes (USDA 588-52) and Hops (USDA 688-52). Revised U. S. Standards have been proposed for the following: Table Grapes (USDA 701-52), Fresh Peaches (USDA 699-52). Time for submitting views and comments on proposed revised standards for grades of concentrated orange juice has been extended until June 1, 1952. (USDA 642-52)

Grain and Seeds.--Price supports for 1952-crop hay, pasture, and range grass seed, substantially the same as the 1951 program, have been announced. (USDA 747-52)... There will be no "reseal" loan program for 1951-crop corn, wheat, barley, rye, oats, grain sorghums, dry edible beans, rice, soybeans, flaxseed, winter cover crop seed, and hay and pasture seed now under price support. "Reseal" loans maturing this year will not be extended. (USDA 758-52)... Amendments requested by the industry have been proposed to U. S. Standards for milled rice. (USDA 717-52)... The Research and Marketing Act Feed Advisory Committee at a recent meeting here urged maintenance of research at least at present levels, more attention to basic research and more rapid dissemination of research results. (USDA 625-52)

Livestock.--A program for the purchase of substantial amounts of smoked pork products, to divert from markets temporary burdensome supplies of pork resulting in unfavorable prices to producers, has been announced. The pork products will be distributed later this year to the school lunch program and other eligible outlets. (USDA 778-52)... USDA has announced the withdrawal of Federal meat grading service for one year from the Krasn Packing Co., Inc., Los Angeles, Calif., following a hearing on violations of regulations governing meat grading. (USDA 686-52)

Poultry and Eggs.--A program for the purchase of up to 500,000 cases of shell eggs has been announced. Purpose is the same as for the program announced for pork (see Livestock above) and distribution will be to the same outlets. (USDA 777-52)... Regulations covering processing and packing of egg products (liquid, frozen, and dried eggs) under the USDA voluntary continuous inspection program have been revised to provide for two official identifying marks. (USDA 674-52)... Further changes in the USDA poultry grading and inspection program to bring about better coordination between commercial grades and standards and Federal buying specifications have been proposed. (USDA 598-52)

Sugar and Molasses.--USDA has purchased approximately 35,000 short tons of Cuban refined sugar for export to Iran. (USDA 784-52)... Sugar quotas for 1952 for Puerto Rico have been announced. The release contains allotments to producers and refiners in Puerto Rico. (USDA 614-52). USDA has authorized the Office of International Trade, U.S. Department of Commerce, to relax export controls on inedible molasses. (USDA 696-52)

Tobacco.--A marketing agreement and order for Type 62 Shade-grown cigar-leaf tobacco grown in a designated production area of Florida and Georgia has been recommended by USDA. (USDA 661-52)

Wool.--Loan rates for "shorn wool" and purchase prices for "pulled" wool under the 1952 price support program for that commodity have been announced. They are based on a national average support level of 54.2 cents per pound, grease basis for 1952-53. (USDA 697-52)

Pesticides.--A national survey shows that farmers requirements for pesticides this year will be up 9 percent from 1950-51. Also available is a table, based on the survey, showing regional trends in estimated quantities of individual pesticides required this year as compared with use last year. (USDA 698-52). Request table in addition to release.

ABOUT MARKETING

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

Agricultural Production to Meet National Needs, a talk by Administrator Gus F. Geissler at the Fifteenth Annual Meeting of the National Cotton Compress and Cotton Warehouse Association, Galveston, Tex., April 15, 1952.

Publications:

Periodic Reports of the Production and Marketing Administration. March 1952. 35 pp. (PMA) (Processed)

Parity Handbook. March 1952. 39 pp. (PMA) (Processed)

Market News Reporting of Butter Prices Received by Creameries. March 1952. 37 pp. (PMA) (Processed)

The Fertilizer Situation for 1951-1952. February 1952. 10 pp. (PMA) (Processed)

Carlot Shipment of Fresh Fruits and Vegetables by Commodities, States and Months Including Boat Shipments Converted to Carlot Equivalents, Calendar Year 1951. April 1952. 23 pp. (PMA) (Processed)

Conservation Practice Summary, 1946 to 1950. February 1952. 93 pp. (PMA) (Processed)

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